

Figure 1

Attorney's Dockets: 65-01-001  
For: System and Method for Collecting  
and Analyzing Tax Reporting Surveys  
By: Delapass, et al.  
Sheet 1 of 13

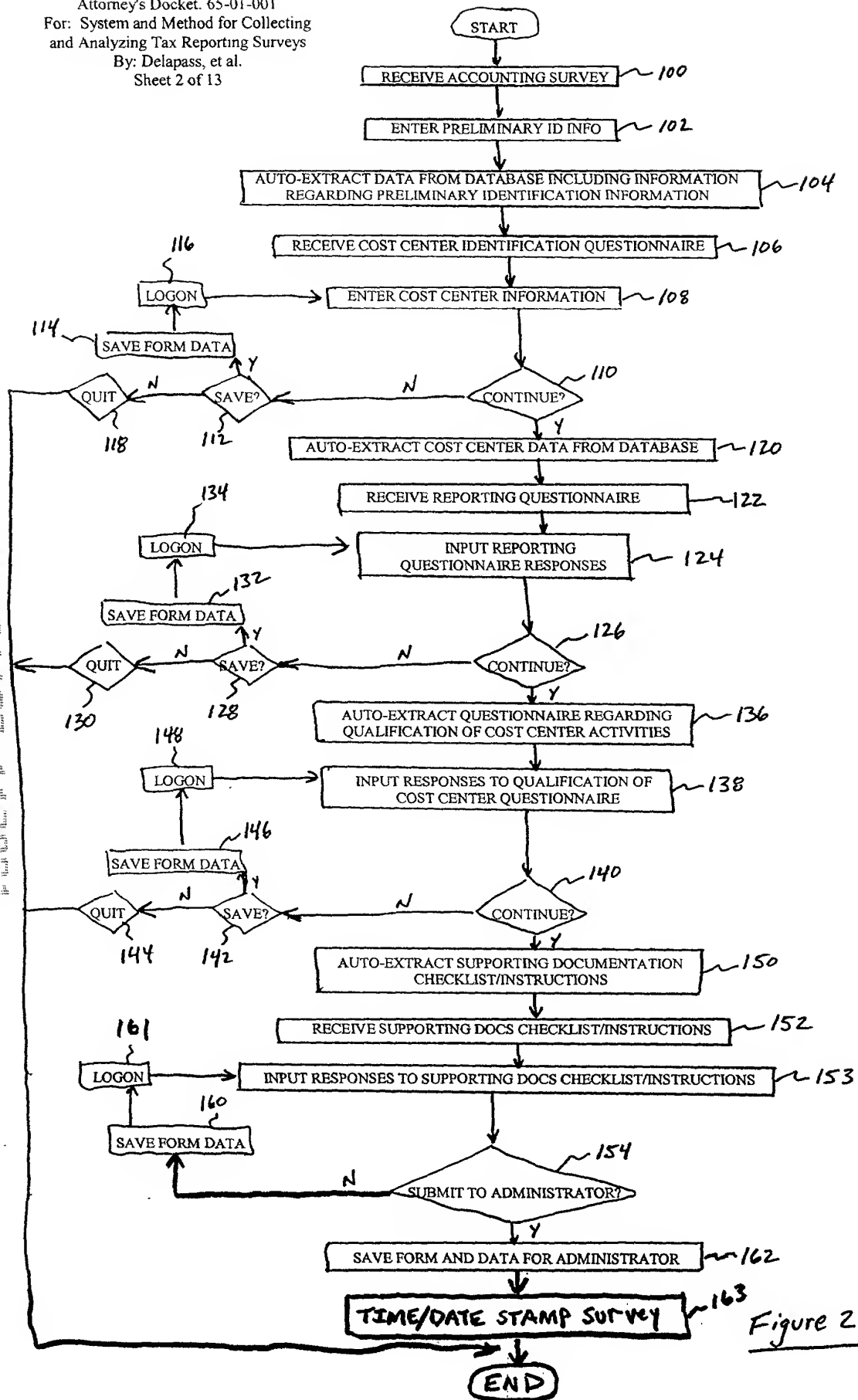


Figure 2

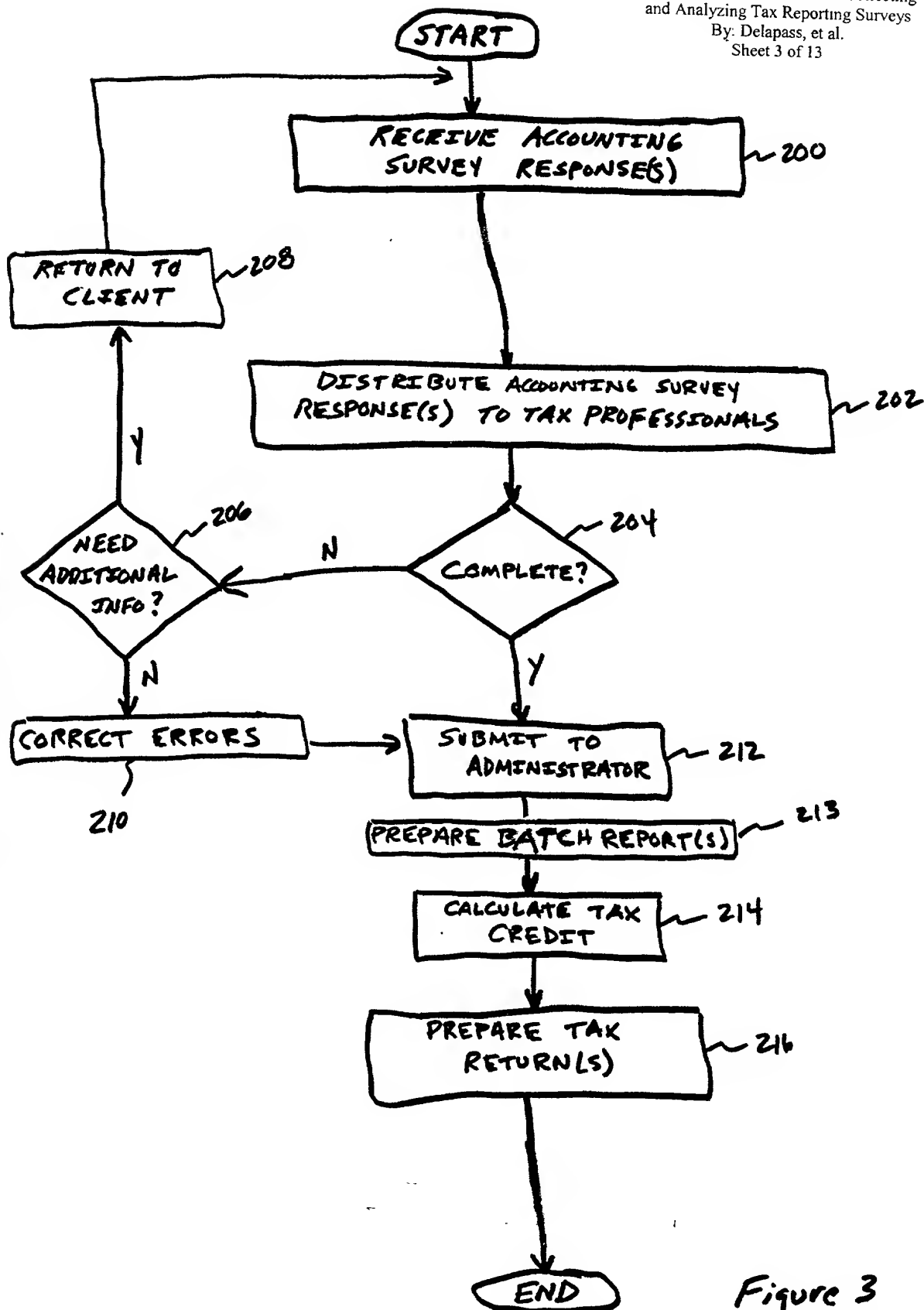


Figure 3

## GTS - R&E Tax Credit

2000 R&E On-line  
Survey  
MOC

RC

Sign In

Welcome to the Global Tax Services - Research and Experimentation Tax Credit Intranet site. The R&E Tax Credit represents a significant tax savings to EDS. It is a Tax Credit for expenses incurred by EDS for Research & Development.

### WHAT QUALIFIES FOR THE CREDIT?

Software/Systems development (for customers and for internal use).  
Certain enhancements/improvements developed for existing systems.  
Development of new processes/methodologies.

### WHAT ARE THE PRIMARY CRITERIA?

Development or Improvement of a Product.  
Existence of Uncertainty.  
Technological in Nature.  
Process of Experimentation.

Tax Credit Survey - click this link to download the 2000 survey in MS Word format.

### CONTACT

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### RELATED LINKS

[Finance Reference Materials](#)

[Global Controller's Organization](#)

### DOWNLOADABLES

[MS Word 2000 Survey Form](#)

[Microsoft Internet Explorer](#)

FIGURE 4

# GTS - R&E Tax Credit

## 2000 R&E SURVEY

### SECTION A. LOB AND COST CENTER IDENTIFICATION

322  
1. MOC:  Cost Center:  Sum Center:   
3 Digits (required field) 7 Digits with no dot (required field)

324  
2. LOB Identification:  
LOB Name:   
Division/Group:   
Account:  320

328  
3. Information on Person Completing Survey:  
EDSNET ID:   
Your Name:   
Phone:   
Mailing Address:   
City:  State:  ZIP:

330  
4. Information on Person Primarily Responsible for this Cost Center:  
EDSNET ID:   
Name:   
Phone:

332  
5. Please provide a description (overview) of your cost center activities:

Note: If you are reporting for an M&A cost center, which should be indicated in the space above, be sure to complete Section B. questions 1 and 5.

334  335  336  Figure 5

# GTS - R&E Tax Credit

340

## SECTION B. MAN MONTH REPORTING

### "Man Month Reporting"

342

In this section, you will be reporting "qualifying man months". To help us identify qualifying activity, we have put in a question that asks you to break out your cost center activities into different categories by percentage of time spent in each category compared to the total time incurred for your cost center. Qualifying man months must meet the following criteria: 1) development or improvement of a product, including enhancements; 2) existence of uncertainty with efforts intended to eliminate the uncertainty; 3) technological in nature, where project activities rely on the principles of computer science, engineering, mathematics; 4) process of experimentation, where project activities include testing, analyzing, evaluating. These activities will typically include new software development, whether for sale to a customer or to be used internally, improvements (enhancements) to existing systems, and other support provided to our customer accounts where the above criteria are met. NOTE> Qualifying activities are NOT limited to software development.

You are requested to report project activities and associated Man Months by Cost Center. We are reporting project activities for the whole cost center in one Survey, versus completing separate Surveys for each individual project. Your cost center will be considered a **Primary** or a **Secondary** cost center. You are typically considered a **Primary Cost Center** if you report to the Account for which the project is being done. You are considered a **Secondary Cost Center** if you are providing resources to the Account, but you report to a support group such as a Resource Center. In order to obtain the necessary documentation to claim the credit, it is important that we receive a Survey from you, even if you are just providing resources to an account (i.e., if you represent a Resource Center or other SE Development Center). You will report the man months associated with your project activities under question 2.a. on the page below.

**Note:** Refer to Section D. "CHECKLIST - INCLUDE WITH THE 2000 R&E SURVEY", to see the items you will need to provide in support of your reported man months.

## SECTION B. MAN MONTH REPORTING(continued)

### 1. Cost Center Activity Allocations.

Using the following category descriptions for your cost center activities, list the percentage of time spent in each applicable category compared to the total time incurred. Be sure your percentages add up to 100%. Use only integer values. Values with decimal points are not permitted.

Figure 6

**Activity Allocations:**

- 344 ☐ 10 Software/Systems Development (include planning, design, requirements)  
345 ☐ 10 Software/Systems Enhancements  
346 ☐ 10 Software/Systems Integration  
347 ☐ 10 Software/Systems Implementation  
348 ☐ 10 Process/Methodology  
349 ☐ 0 M&A (M&A cost centers, complete question 5 below)  
350 ☐ 50 Routine Maintenance (bug fixes where no enhancements are performed)  
351 ☐ 0 Other: Description:   
352 ☐ 100 % Total Cost Center Activity
- 353

**2. Reporting 2000 Project Man Months for the Cost Center.**

The general ledger reports the following total man months for your cost center  354

Please report the total qualifying man months for your cost center. Total qualifying man months should be the man months related to categories 1-6 above, and they should meet the criteria explained on the preceding page.

a. 2000 Qualifying Man Months - For Your Cost Center: Man Months:  356

\* Should tie to question 3 detail.

**b. Identification of Additional Cost Centers:**

If you use a different cost center to report other persons or groups who support your projects (such as Business Analysts, etc.), please provide the following information:

MOC:  358 Cost Center:  357 Qualifying Man Months:  360

Description of the support provided:

361

**3. Project Identification**

Please list all projects worked on in your cost center for the year with qualifying activities. The list should include continuing projects and new projects.

**For all projects, please include the following information:**

1. Year Project Began.
2. Status: Please indicate whether projects are completed or continuing next to the project name.

(Fig 6 - cont)

(Fig 6 can't)



Project Names Being Managed/Supported	Where Projects are Reported		Percentage of Time Spent Managing Projects
	MOC	Cost Center	
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
Total Percentage of Time Spent Managing Projects			0

**Continue**

**Save and Exit**

**Optic**

(Fig. 6 Con't)

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400  
↓

## SECTION C. QUALIFICATION OF PROJECT/COST CENTER ACTIVITIES

### 1. "Development or Improvement of a Product"

Please describe the new development or improvement (or intended development or improvement) resulting from your 2000 cost center activities. Use examples from selected projects in your cost center. In your explanation, please tell about the new or improved functionality resulting from your project activities.

402

N/A

### 2. "Existence of Uncertainty"

Qualifying research requires the existence of uncertainty in the development process. Uncertainty exists where the capability, method, or appropriate design is not known or reasonably available. The use of a standard methodology of systems development provides a logical approach to the process of development, but does not guarantee the success of the project due to uncertainties encountered during development. Even though we accept work with the intention of successfully completing the tasks, uncertainty may still exist if the path of completion is not known, specific technical risks are identified, the development process is not certain, failures occur at various points, etc. Uncertainty may also exist if there is more than one alternative to be addressed in determining the best way to achieve the intended results.

Please describe the problems encountered, limitations faced, alternative solutions addressed, or other uncertainties encountered with your project activities in 2000. Use examples from selected projects in your cost center.

N/A

### 3. "Technological in Nature"

During the development of the new or improved product, was the information discovered technological in nature (i.e., did it rely on the principles of computer science, engineering, or mathematics)?

☐ Yes

☒ No

Figure 7

### 4. "Process of Experimentation"

Qualifying research involves the process of experimentation. "Process of Experimentation" includes an evaluation of more than one alternative to achieve the desired result. Even though we may know a particular method for achieving the result, process of experimentation may be used to determine a better method of achieving the desired outcome. In addition, experimentation is demonstrated when certain coding has been done that creates an unexpected problem, which is then resolved by modifying the code, or writing additional code.

Please describe any alternative solutions, alternative methods/processes of development, or any other examples of experimentation addressed with your 2000 project activities. Use examples from selected projects in your cost center.

405 ~ N/A

### 5. "Computer Software Usage"

a. Is the computer software resulting from your project activities being developed for use in another computer software development project?

406 ~ ☐ Yes

☒ No

If yes, please describe

b. Is the computer software resulting from your project activities being developed for use in a production process (i.e., software may be used for the robotics used in operating a manufacturing process)?

408 ~ ☐ Yes

☒ No

If yes, please describe

c. Is the computer software resulting from your project activities being developed to provide computer services for a customer?

410 ~ ☐ Yes

☒ No

**Note:** If you checked "Yes" to any of the three above questions (5.a. through 5.c.), Skip questions 5.d. through 5.f. below. The following questions in this section (5.d. through 5.f.) relate to software developed for EDS' own internal use (i.e., software that is not intended to be marketed to outside customers including GM, and is not intended to support any customer accounts).

(Fig. 7 cont)

An example of computer software being "innovative" is where the software results in a cost reduction, an increase in speed, or results in some other increase in efficiency.

Can the computer software resulting from your project activities be considered innovative?

☒ Yes

☐ No

If yes, please describe

e. "Economic Risk"

Computer software development is considered to involve economic risk when there is uncertainty as to when resources committed to the project will be recovered, due to cost overruns or time overruns

Do your software development activities involve significant economic risk?

☒ Yes

☐ No

If yes, please describe

f. "Commercially Available"

Computer software is considered to be commercially available for use where:

- The software can be purchased, leased, or licensed on the commercial market; and
- It can be used for the intended purpose without modification.

At the time you started the development activities for your projects, was the computer software commercially available?

☐ Yes

☒ No

6. "Customer Contracts"

a. Does EDS receive payments from the customer for our product or process development activity?  
Attach a copy of the contract.

☐ Yes

☒ No

If yes, (i) Who is the customer?

(ii) Total payments received for project in 2000?

0

(iii) Is EDS entitled to full payment under the contract, regardless of whether EDS satisfies

(Fig. 7 Con 4)

contract or customer performance standards? ☒ Yes ☐ No

(iv) If EDS does not satisfy certain contract or customer performance standards, is EDS required to refund any portion of payments received, accept lower fees, or otherwise

compensate the customer (such as by crediting service hours)? ☐ Yes ☒ No ← 419

v.) Is the development contract attached? ☐ Yes ☒ No ← 420

If no, who may the contract be obtained from?

Name:  ← 421

Phone:

b. Does EDS retain substantial rights in the product or other technology related to your project (i.e., EDS maintains ownership, or retains other rights, such as licensing rights, intellectual property rights, right to use the product, etc.)?

422 → ☒ Yes

☐ No

If no, please describe  ← 423

c. Is EDS required to pay the customer for the right to use the product EDS has developed?

424 → ☐ Yes

☒ No

If yes, please describe  ← 425

Continue

Save and Exit

Quit

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(Fig. 7 (cont))